



November 2003

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TO: ALL OPERATORS OF CERTIFIED RECYCLING CENTERS, PROCESSING FACILITIES, DROPOFF OR COLLECTION PROGRAMS, COMMUNITY SERVICE PROGRAMS AND REGISTERED CURBSIDE PROGRAMS

INFORMATION BULLETIN 03-1

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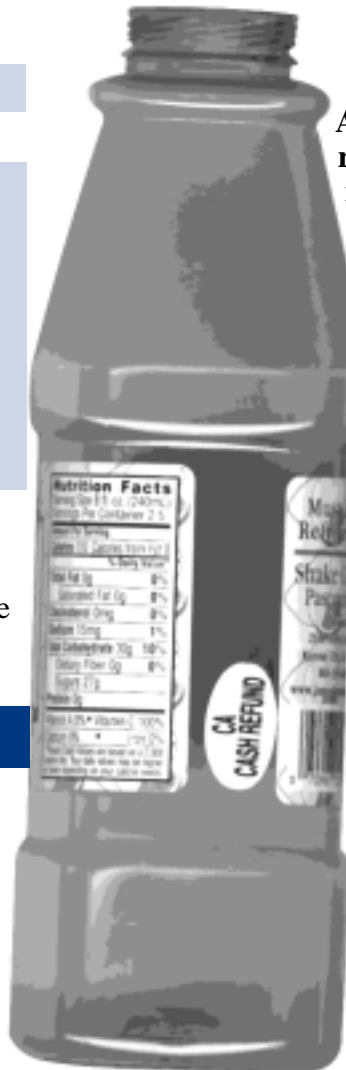
CS Registration Not Transferable

This bulletin addresses a variety of topics and reminders to assist recyclers and processors in their day-to-day operations and dealings with the Department of Conservation (Department).

Senate Bill 968

The California legislature recently passed a bill that is aimed at reducing fraud in California's beverage container recycling program. Senate Bill 968/Bowen (*Chapter 125, Statutes of 2003*) amends the Penal Code to expand the scope of the California Control of Profits of Organized Crime Act to include offenses related to fraud or theft against the California Beverage Container Recycling and Litter Reduction Act. The bill also authorizes the forfeiture of assets of those persons convicted of these crimes. Proceeds obtained from the sale of forfeited assets are to be deposited in the Penalty Account of the California Beverage Container Recycling Fund, except for a portion equivalent to the cost of prosecution, which is to be distributed to the local prosecuting entity. You can download a copy of the bill from the California Legislative Information website at www.leginfo.ca.gov.

Stick-on Labels

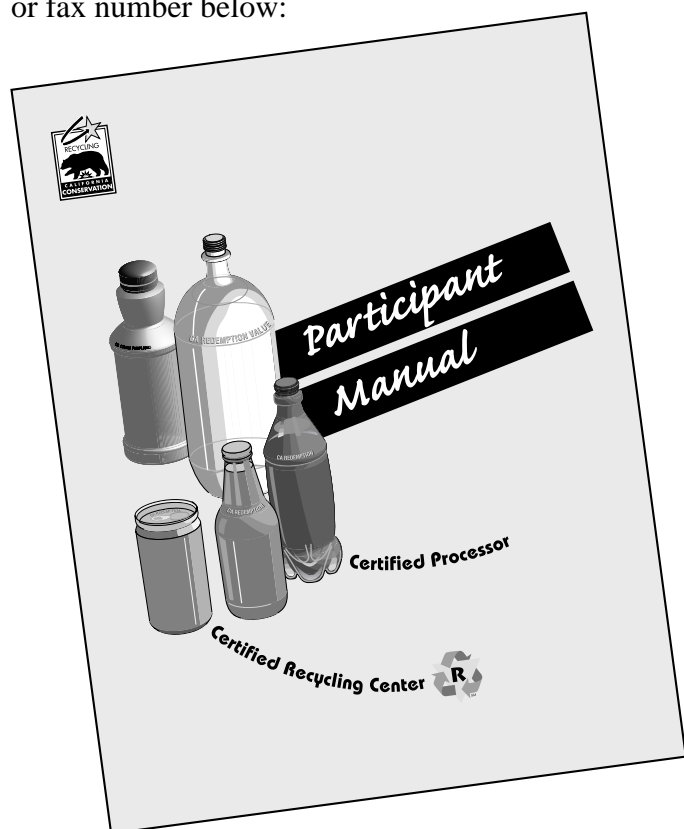


Attention operators of recycling centers: Beverage manufacturers are required by regulation to label every beverage container sold in California with the California Refund Value (CRV) message. The Department sometimes allows beverage manufacturers to temporarily affix stick-on CRV labels on beverage containers. If you receive beverage containers with a stick-on CRV label, please call the Department's Beverage Manufacturers & Distributors Section at 1-800-RECYCLE, and ask for Nicole Lara at (916) 324-7095, or Ed Abalatio at (916) 324-0873. They can verify if the label is acceptable. The Department appreciates your assistance.



Legible Paperwork

As the Department's fiscal intermediary, IKON Business Information Services (*IKON*) processes Shipping Reports (*DR-6's*), Processor Invoice Reports (*DR-7's*) and Handling Fee Applications (*DR-14's*) for the Department. IKON staff have commented about the additional time they spend with hard-to-read forms. They would like to remind operators of recycling centers and processing facilities that paperwork needs to be legible. Readable documents enable IKON staff to more quickly process the forms and avoid delays in processing. For instructions in how to complete report forms, please refer to the Participant Manual for certified processors and recycling centers, available on the Department's website at www.conservation.ca.gov. If you have questions on specific *DR-6's*, *DR-7's*, and *DR-14's*, or need copies of report forms, please contact IKON at the address, telephone number, or fax number below:



IKON Business Information Services

3062 Prospect Park Drive, Suite A
Sacramento, CA 95670

Telephone: (916) 852-1010

Fax: (916) 638-0909

Reminders

The following reminders address common problems or areas of concern that the Department staff have noticed during the course of business. If you have certification or registration questions, or questions on any of the topics below, please call the Department's Certification Section at 1-800-RECYCLE or (916) 324-8598. Please ask for the Recycling Specialist who is assigned to your company, or if they are unavailable, any available staff will be glad to assist you.

Recycler/Processor

Processor Purchases

The Department has received some complaints from newly certified recycling center operators about difficulties finding a certified processor willing to purchase beverage containers from them. Processors, please be reminded, you must purchase beverage containers from any requesting certified recycler. It is unacceptable and a violation of the regulations to turn certified operators away because they have small volumes or are not under special contract with your company.

False Operational Dates

Regulations require that operators who open a new recycling center or processing facility provide their operational start date to the Department in writing within five days of becoming operational. Some operators of recycling centers have provided false operational dates to receive handling fees for that month. The operational start date needs to be the actual day you start paying CRV for beverage containers at the facility. For example, if the first of the month falls on a day your facility is normally closed, your start date cannot be the first of the month. A more blatant example would be an operator who provides an operational date, but does not actually begin operating until two weeks later.



Invalidation

Operators of new recycling centers and processing facilities have 60 days to become operational once the Department approves a certification application. Sometimes operators have to invalidate a site (*end the certification prior to starting*), then reapply for certification, because they are unable to become operational by the 60-day deadline. This is understandable in many cases, and the Department's Certification Section does its best to expedite applications for those who must reapply. However, some operators with multiple recycling centers exhibit a pattern of invalidation. This creates extra work for them as well as the Department and affects the Department's ability to process applications quickly. We ask that operators keep the 60-day deadline in mind when applying, and refrain from applying too far in advance of receiving a permit from the local government agency. When applying for a permit in a jurisdiction that is commonly slow in approving permits, anticipate the delay, and wait to submit your application. By doing this, you can avoid the need to reapply.

Proof of Property Ownership

The Department's Certification Section verifies property ownership as part of the certification application review process for recycling centers and processors. Applicants who do not own the property need to provide a lease or written use agreement signed by the property owner. Certification staff will no longer necessarily accept a copy of a sublease signed by the leaseholder (*such as the store owner*), unless the sublease is with a major supermarket chain. The reason for this change is that some operators were forced to close after investing money in the business, because the property owner was unaware of the sublease. If we cannot verify property ownership, we may ask the applicant to provide a property tax bill or mortgage statement, or if appropriate, proof of authorization to sublet the property, or a letter from the property owner authorizing the sublease.

Curbside Programs

One Curbside Number Per Contract

While reviewing curbside program (CS) renewal applications, Department staff are finding that some operators are inappropriately allowing the recycling center or processor to lump their CS volumes from several local government agencies together under one CS number. Operators of curbside programs, please keep in mind that you must apply for a separate curbside registration number for each curbside collection contract you hold with a local government agency. For example, if you are collecting recyclables from residential curbsides under three contracts with three different communities, you need three separate CS registration numbers. Including multiple communities under one CS registration number is acceptable only if the communities share a contract.

Curbside Registration Not Transferable

Many operators of curbside programs wait until CS registration renewal time to notify the Department of ownership changes. If the operator of a curbside program is going to change for any reason (*for example, due to a merger or a lost contract*), the operator must notify the Department in writing ten days prior to the change. This is required by the regulations. A change in the responsible organization requires a new CS registration number. Companies that win a CS contract to serve a community should apply immediately for their own CS registration number rather than using the number belonging to the previous operator. If your company loses a curbside collection contract, please notify the Department in writing to end the program. You should not allow another company to use your registration number, nor use another company's number. Failure to notify and apply in a timely manner can cause errors in distribution of curbside supplemental payments.





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Division of Recycling

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